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ART UNIT	PAPER NUMBER
3622	

DATE MAILED: 02/13/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *10 November 2005*.

2a)☒ This action is **FINAL**.   2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *23-30* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *23-30* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)
2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3)☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.
5)☐ Notice of Informal Patent Application (PTO-152)
6)☐ Other: _____.

DETAILED ACTION

1.   This is responsive to Applicant's correspondence filed on November 10, 2005
has been entered. Claims 14-22 are cancelled. New claims 23-30 are added. Claims 23 is
independent.

Response to Arguments

2.   Applicants' arguments have been carefully reviewed but found unpersuasive.

Some of the following responses, previously presented, are still relevant to Applicants'
present arguments.

Williams was used for the sole purpose of teaching that coupons may be provided
(downloaded) to a user's system automatically (without the consumer's knowledge) or on
demand. Thus it was earlier stated that "It would have been obvious to one skilled in the art at
the time the invention was made to add Williams to Kepecs because both references deal with
coupons and the
automatic download thereof is an art recognized equivalent for delivering coupons on
demand ...".

Kepecs already teaches automatic applying of the discounts once the discounts are
provided to the customer's account. In Kepecs the customer selects the discounts. As presented
above, Williams further teaches that discounts can also be provided without the customer's
awareness in addition to selection by the customer. Once provided, either by customer selection
or indiscriminately to the customer's account as taught by Williams the method of Kepecs
works to automatically apply the discounts once the discounted purchases are made, regardless
of the customer's awareness.   Thus the Kepecs/Williams system meet at least Applicants'
independent claims as presented below.

Applicants further argue Williams discloses coupons that need to be redeemed and not discounts, and thus cannot be combined with Kepecs which teaches discounts. It is noted Kepecs is the primary reference and discusses that different types of promotions such as discounts or points that can be "redeemed "automatically using loyalty type cards (see at least col. 2 lines 30-34). Further discounts and coupons are often used loosely as equivalent terms in the promotions art. See e.g. Sloane, US 5918211, (col. 2 lines 30-35) which discloses both coupons and discounts on loyalty cards similar to the ones of Kepecs system. Thus in view of these facts, the coupons of Williams are not incompatible with the Kepecs system, and Kepecs does not teach away from coupons as argued.

(Please also note that automatic applying of discounts to purchases at POS's without customer awareness of the discounts is known before Applicants' filing date as shown by the art cited in the conclusion sections of the previous Office Actions which are herein incorporated by reference.).

It is noted that contrary to argument, Kepecs discloses transmitting signal to the vendor to cause a discount to such items purchased by the consumer and it also discloses a host system that applies a discount on an itemized basis for the benefit of the consumer (see at least col. 10 lines 59-64).

The arguments as to Hoffman are unpersuasive as Kepecs teaches automatic applying of discounts to transactions once the discounts are made available to the customers, and Williams teaches the availability can be effected either upon customer demand or automatically without it.

Contrary to argument at page 5, it is Hills not Kepecs that teaches the initial split connection feature. Hills discloses a split dial connection at the POS to allow access three interconnected but separate data files for the purpose of performing different types of authorization (see at least col.8 lines 44 to col. 9 l. 65). The amended claims do not overcome the teachings of Hills nor the motivation supplied for the combination as applied below.

As to the new limitations detailed in page 5 of Applicants' Response, they have been addressed before in the last Office Action at page 5, and repeated below.

As to the "effecting of said discount done without action by the consumer", the previous art combination has covered this limitation. Kepecs//Williams teach automatic download of discounts onto the consumer card. Once done, no other consumer action is required as claimed to effect discounting at POS as taught by Kepecs. No awareness of the discounts is required either in the Kepecs//Williams system.

In sum the amendment does not overcome the prior art combination as applied and the previous rejections are maintained with slight modifications to accommodate the new limitations.

Claim rejections. 35 U.S.C. 103

3.   The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

4.   **Claims 23-25, and 28-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kepecs, US 6009411 hereinafter Kepecs in view of Williams US 6075971, herein Williams and further in view of Hills et al. US 5484988, herein Hills.**

Kepecs generally discloses a method and system for distributing and redeeming electronic promotions to a consumer through the Internet is provided. An account which is associated with a unique key is maintained for each consumer account. Access is permitted to the consumer account upon presentation of the unique key over the internet.

The consumer is presented discount or other promotional choices of items
available in at least one store associated with the key, or a collection of
such stores, over the Internet and the selections of the discount or
promotional choices made by the consumer over the internet are recorded. Upon
purchase of items at the associated store by the consumer, such data are
received, and the selections and purchases are reconciled to record a credit in
the customer account. No consumer action other than the selection of promotions
desired is required for item purchase.

Kepecs does not disclose applying the discount without a selection from the
consumer of any said applicable discount, and without requiring consumer awareness of
any said applicable discount.
However, Williams discloses a method and apparatus for providing and
monitoring coupons via a network wherein coupons may be downloaded to a user's
system automatically or on demand via the internet (see at least abstract).

It would have been obvious to one skilled in the art at the time the invention was
made to add Williams to Kepecs because both references deal with coupons and the
automatic download thereof is an art recognized equivalent for delivering coupons on
demand as taught by Williams.

Regarding the new limitations of split connection and delay of connection of the POS to a
payment processing system,   it is noted that in Kepecs the DAP (host)
computer is consulted directly for each consumer action at the point of sale, thus eliminating the
need for the DAP to pre-load the store computer 23 with data about discounts available to the
consumer (see at least col. 11 lines 10-13, 20-21). This achieves exactly what Applicants
discloses: "to effect a real-time, itemized download of the rebates/discounts" at the POS   per
paragraph [0074] of the Specifications. Further, Kepecs implicitly discloses delay of payment
processing until the itemized discounts are computed against the final bill.

As to the split dial connection, Hills et al. US 5484988, discloses a split dial connection at the POS to allow access three interconnected but separate data files for the purpose of performing different types of authorization (see at least col.8 lines 44 to col. 9 l. 65). Since Kepecs discloses instant connection to the host computer for checking availability of discounts to the instant purchases, since Kepecs implicitly discloses delay of totaling the final bill until all discounts are applied to the purchases, and since split dial up connection is known to be used at POS's to verify authorization of one kind or another, it would have been obvious to one skilled in the art at the time the invention was made, that an alternative to Kepecs' s method of instant checking of applicable discounts and the subsequent totaling of the bill would have been to use the split dial connection method taught by Hills to allow checking validity, applicability and authorization of the discounts. Delaying of connecting to payment processing while split dialing, would also have been also obvious because Kepecs implicitly discloses delay of payment processing until the itemized discounts are computed against the final bill.

Thus as to claims 23, 28, and 29 Kepecs in view of Williams and Hills discloses:

A method (Figs 1,2,3 and associated text) for carrying out a purchase comprising the steps of:

reading al a point-of-sale terminal Iodated at a vendor consumer-

identifying information encoded on a device having a readable data string (see at least col 7 l. 27 –38; col. 10 lines 19-67);

maintaining a database of discounts available at the vendor;

determining on a real-time basis whether the items purchased by

the consumer are items offered at a discount by the vendor, said determining

not done by the consumer (see at least Fig 2 and associated text, especially ATM, UPC, (see at least col. 4 l. 48-67, col. 10 lines 19-67;

transmitting a signal to the vendor to cause a discount to such

items purchased by the consumer on an itemized basis that are identified in the

database as being offered by the vendor at a discount, said transmitting not

done by the consumer (Fig 1-3 and associated text, especially DAP; see at least col 3 l. 30 et seq. ; col 7 l. 60 et seq. to col. 10 l. 67);

connecting in an initial split connection connecting the point-of-sale

terminal to the host system for communication therewith, the database of

discounts maintained in the host system, the host system remote from the

point-of-sale terminal (KEPECS., Fig 1-3 and associated text, especially DAP; see at least col 3

1. 30 et seq. ; col 7 1. 60 et seq. to col. 10 1. 67);

the host system accomplishing said determining;

the host system accomplishing said transmitting to effect said

discount (Fig 1-3 and associated text, especially DAP; see at least col 3 1. 30 et seq. ; col 7 1. 60

et seq. to col. 10 1. 67);

initially delaying connection of the point-of-sale terminal to a

payment processing system; and

following said determining and said transmitting, connecting the

point-of-sale terminal to the payment processing system and completing the

purchase via the payment processing system (see at least Fig 2 and associated text, especially

ATM, UPC, (see at least col. 4 1. 48-67, col. 10 lines 19-67).

means at the host system for storing said transaction information (KEPECS., figs 2 and 3 and

accompanying text; col 10 . 59-col 13 1. 22).

Further, Kepecs does disclose

using the internet to contact the host system (fig 1 and associated text);

the consumer having a magnetic strip card (KEPECS., see at least col 7 1. 27 –38; col. 10

lines 19-67); and following said determining and said transmitting, completing the purchase via

a payment processing system (see at least col. 10 lines 19-67).

Claim 24. Kepecs discloses the system of claim 1. Further Kepecs at least

suggests means for calculating a future discount for the consumer based on a

payment amount for the completed purchase. (See col 8 1. 12-46: targeting individual consumers

based on past purchase histories)

As to claim 25, providing the consumer with information about the future

discount, once determined would have been obvious to inform the customer.

5.   **Claims 26-27 , 30 are rejected under 35 USC 103(a) as unpatentable over Kepecs in view of Williams as applied to claim 3 above and further in view of Hoffman US 5297026.**

Claims 26-27 .

As per claims 26-27, Kepecs does not disclose means

for calculating an amount to a retirement account contribution for a consumer based on the transaction information or based on the calculated amount .

However, Hoffman US 5297026 disclose giving rewards for purchases in the form of a percentage of the amount spent deposited in a customer account earning interest at a higher rate (abstract). Thus one skilled in the incentives arts would have known from Hoffman's teachings regarding the use of such incentives accounts to include retirement accounts such as to lure naive aging baby boomers to spend more. As to the basis of such reward being the nature of the transaction such marketing technique is well-known and obvious (e.g. use MasterCard, earn more rewards; buy particular product, earn more).

As to claim 30, Kepecs discloses means for determining a pertinent geographical area for the consumer (col 9 1. 2-5;col 7 1. 60- col 8 1. 22.; col 9 1. 30 et seq *"the consumer selects the desired discounts, and if required, at which stores"*; geographic limitations and sellers information)

means for automatically determining the pertinent geographic area based on information about a consumer (col 11 1. 4-10 : the computer infers customer likely store selection from his purchasing history). Hoffman further discloses the additional features as explained in claims 26-27 for the same motivation.

Conclusion

6.   Prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Sloane, US 5918,211 discloses automatic credits at POS without user action.

7.   Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

8.   Any inquiry concerning this communication or earlier communications from the examiner should be directed to Khanh H. Le whose telephone number is 703-305-0571. The Examiner works a part-time schedule and can normally be reached on Tuesday-Thursday 9:00-6:00.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Eric Stamber can be reached on 703-305-8469. The fax phone numbers for the organization where this application or proceeding is assigned are 703-872-9326 for regular communications and 703-872-9327 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113

February 6, 2006

KHL

RETTA YEHDEGA
PRIMARY EXAMINER